GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:5624
ANSWERED ON:02.05.2002
ASSESSMENT OF STEEL PLANTS
A.P. JITHENDER REDDY

Will the Minister of STEEL be pleased to state:

(a) whether the steel plants in public sector have been showing dismal result;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Government have conducted any study to assess the potential of the steel plants and their modernisation; and

(d) if so, the details of outcome?

Answer

MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Details of the net loss incurred by steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) since 1998-99 are given below :

SAIL

(Rs. in crore)

Year	Losses
1998-1999	1618.00
1999-2000	1720.00
2000-2001	729.00
2001-2002 (April to December.2001)	1290.00

RINL (Rs. in crore)

Year	Losses
1998-1999	457.00
1999-2000	561.68
2000-2001	291.30
2001-2002	125.00

The reasons for steel plants in the public sector incurring losses include the following:

General slow down in the economy resulting in stagnation in steel consumption.

Adverse effect on sales realisation because of fall in international prices due to global recession.

Imposition of anti-dumping duty by European union, USA and Canada.

(c)&(d): Government have not conducted any study recently to assess the potential of public sector steel plants. However, SAIL has reported that two of their steel plants namely Bhilai Steel Plant and Vishvesvaraya Iron and Steel Plant have exceeded their rated

capacities in respect of saleable steel during the year 2001-2002. RINL has also reported that production of hot metal, liquid steel and saleable steel, by their plants exceeded their rated capacities during the year 2001-2002. As for the modernisation needs of steel plants, these are met by the respective plants, through their plan schemes.